

The
Crow's Nest
Pass Coal
Company
Limited



Twenty - Eighth
Annual Report
1924



The Crow's Nest Pass Coal Company Limited

Capital Stock (Authorized)	\$10,000,000.00
Capital Stock (Subscribed)	6,212,666.66
Capital Stock (Paid Up)	6,212,666.66

Company's Head Office
Ferne, B.C.

Stock Transfer Office
Toronto General Trusts Corporation
83 Bay Street, Toronto

Registrar
National Trust Company, Limited, Toronto

BOARD OF DIRECTORS FOR 1925.

PRESIDENT

W. R. Wilson

General Manager, The Crow's Nest Pass Coal Company, Ltd.

FIRST VICE PRESIDENT

A. H. MacNeill, K.C.

Vancouver, B.C.

SECOND VICE PRESIDENT

W. H. Roblison

Vice-President Granby Consolidated M.S. & P. Co.
Granby, P.Q.

DIRECTORS

Dr. G. W. Howland
Toronto

Ellis P. Earle

President, Nipissing Mines Co. and Georgia Peruvian Ochre Co.
Director, Chatham and Phoenix National Bank, N.Y. and
Vice President, Granby Consolidated M. S. & P. Co.,
New York, N.Y.

James T. Maher

Right-of-Way, Land and Tax Commissioner,
Great Northern Railway Company, St. Paul, Minn.

James F. Edgar

Barrister, Toronto.

L. C. Gilman

Barrister, Seattle.

Hon. Andrew Haydon

Senator,

Messrs. McGiverin, Haydon & Ebbs,
Barristers, Ottawa, Ontario.

OFFICERS

Treasurer.....	A. A. Klauer
Comptroller.....	Geo. H. Hess, Jr.
Secretary.....	J. S. Irvine
Auditors.....	Messrs. Welch, Campbell & Lawless, Chartered Accountants.

PROCEEDINGS

OF THE

Twenty - Eighth Annual Meeting of the Shareholders

On the 10th day of July, 1925, the Annual General Meeting of the Shareholders of the Company was held, pursuant to Notice, at the Head Office of the Company, Fernie, B.C., at 2.30 p.m.

The following Shareholders were present, representing 73% of the Stock :—

In Person and By Proxy—

J. F. Edgar.
L. C. Gilman.
W. R. Wilson.
A. Klauer.
A. H. MacNeill.
J. T. Maher.
John Adam.
John Adam & Son.
Norman Ainley.
Mrs. Louisa Allen.
Miss Florence Maud Alley.
Geo. A. Anderson.
Mrs. Anne Jane Arthurs.
Anson McCook Beard.
A. R. Capreol.
Bernard Caufield.
E. P. Clarkson.
Miss Eliza A. Clinch.
Florence I. Crump.
D. S. Curry.
Ellis P. Earle.
Col. D. K. Edgar.
H. W. Edgar Estate.
Miss Maud Edgar.

Edith Keliher.
Miss Elizabeth C. Kelley.
Miss L. M. Kelley.
Elizabeth Kirvan.
Mrs. Ellen Laughery.
Lt. Col. Kenrick C. Laurie.
Miss Margaret Laurie.
Clara Hill Lindley.
G. G. S. Lindsey Estate.
Mrs. Wanda C. Lindsey.
William Mansell.
Frederick Richard Martin.
Miss Mary F. Mason.
Hon. Mr. Justice Masten.
Frank E. Maulson.
Miss Jane McAndrew.
Roy A. McCandless.
William McFarren.
H. B. McGiverin.
Harold B. McGiverin.
W. E. McKeough.
E. T. Nichols.
Isabella G. Northcote.
D. Northall Laurie.

Mrs. Ruby T. Edgar.	Kathleen O'Brien.
W. W. Edgar.	A. E. Osler & Co.
Miss Catherine O. Elwell.	W. H. Robinson.
K. Beatrice Evans.	Alfred Rogers.
Mrs. Elizabeth Folingsby.	Miss Martha Rogers.
Henry J. Gardiner.	Rosedale Securities Ltd.
Mrs. Emily Gemmill.	Mrs. Helena M. Schickendantz.
Richard Temple Godman.	Mrs. Violet A. Seaman.
James Gouinlock.	E. P. Sheldon.
Miss Lillie E. Gouinlock.	Robert B. Simpson.
Granby Cons. M. S. & P. Co.	J. P. Steedman.
Charles B. Gudebrod.	James Strachan.
D. R. Gunn.	Henry Swan.
Hanson Bros.	James H. Swan.
William Hanson.	Nicholas Terhune.
Heron & Co.	B. S. Vanstone.
Mrs. Marjorie O. Hicks.	Miss Ida May Vanstone.
C. Plummer Hill.	Mrs. Selena J. Vanstone.
Walter J. Hill.	T. H. Whitehead.
Miss Mary F. Hitchins.	Mrs. Clara H. Williams.
B. Hochschild.	Ida L. Williams.
Dr. Goldwin W. Howland.	Henry Winnett.
Goldwin W. Howland in Trust.	Miss Margaret Woods.
Mrs. Frances Ellen Hunter.	H. G. Wynes.
R. L. Innes.	Herman Young.
Mark H. Irish.	William Young.
Beverley Jones.	

On motion, Mr. Wilson was requested to take the Chair, and Mr. Irvine to act as Secretary.

The Secretary read the Notice calling the meeting for the 10th day of July, 1925, at 2.30 p.m.

On motion of Mr. Edgar, seconded by Mr. Gilman, the Minutes of the last Annual Meeting, held on the 11th day of July, 1924, were taken as read.

On motion of Mr. Edgar, seconded by Mr. Gilman, the Twenty-eighth Annual Report of the Directors, and the accompanying Financial Statement were taken as read.

DIRECTORS' REPORT FOR THE YEAR 1924.

To The Shareholders :

Your Directors for the year 1924 respectfully submit their twenty-eighth Annual Report showing statement of the Company's assets and liabilities on the 31st day of December, 1924, accompanied by figures which show the Profit and Loss Account for the year ending on that date.

The Balance at the Credit of the Profit and Loss Account brought forward from 1923 was \$14,275.94. To this has been added \$775,360.16, which represents the amount which was arbitrarily written off Plant and Equipment and Real Estate and Development in 1915. Your Directors in 1924 decided that this item should be reversed. From the total of these two items, \$14,275.94 and \$775,360.16, or \$789,636.10, there was deducted the net loss on the year's operations of \$257,939.64, leaving a credit of \$531,696.46. From this amount your Directors have paid three dividends of one and a half per cent. each, making a total of four and a half per cent. for the year, and amounting in all to \$279,517.50, leaving a balance at Credit of Profit and Loss Account to be carried forward to 1925 of \$252,178.96.

The operative profit of the subsidiary Company, The Crow's Nest Pass Electric Light and Power Company, Limited, for the year was \$11,233.68, which amount was carried forward to Reserve for Depreciation. The operations of the other subsidiary Company, the Morrissey, Fernie and Michel Railway Company, resulted in a loss of \$459.15.

During the year, the Coal Company spent on improvements \$27,679.38. There was recovered from abandoned mines, material to the value of \$17,555.04, leaving a net expenditure on improvements and development for the year of \$10,124.34. During the year, the Morrissey, Fernie and Michel Railway Company spent on improvements (Equipment) \$15,636.59.

The Coal mined during the year amounted to 275,329.05 tons as against 775,336.17 tons in 1923, and the Coke produced was 30,615.00 tons as against 65,990.07 tons in 1923; the loss in tonnage being due to the seven months strike.

All of which we respectfully submit.

Fernie, B.C., July 10th, 1925.

W. R. WILSON,
President.

BALANCE SHEET, DECEMBER 31st, 1924

Assets

Cash on hand and in Banks	\$ 217,068.00	
Cash in Home Bank (In liquidation).....	42,157.01	
Accounts Receivable....	264,429.63	
Inventories-Coal Coke, Stores, etc.....	219,621.51	
	<u> </u>	743,276.15
Securities and Shares Owned	1,657,877.37	
Unexpired Insurance..	6,447.52	
Mines, Real Estate, Plant & Equipment..	7,379,951.74	
Less Reserve for De- preciation	3,086,509.11	
	<u> </u>	4,293,442.63
		<u> </u> 6,701,043.67

Liabilities

Accounts Payable.....	81,900.98	
Contingent Liability Reserve.....	154,297.07	
	<u> </u>	236,198.05
		<u> </u> \$6,464,845.62
Capital Stock Paid Up..	6,212,666.66	
Profit & Loss Account Credit Balance	252,178.96	
	<u> </u>	<u> </u> \$6,464,845.62

Fernie, B.C., July 10th, 1925.

A. A. Klauer,
Treasurer.

PROFIT & LOSS ACCOUNT

Year Ended December 31st, 1924.

Balance at CREDIT, January 1st 1924.....	\$ 14,275.94
Reinstatement of Capital Assets written off against Profit & Loss Balance in 1915....	
(See Report)	X 775,360.16
	<hr/> 789,636.10

Loss : Coke & Coal Operations	\$353,532.92
Less : Profit—Lands, Timber Operations & other sources..	95,593.28
	<hr/> \$257,939.64
	<hr/> 531,696.46

Dividend No. 61 paid Jan. 1st..	93,172.50 —
Dividend No. 62 paid Mar. 1st..	93,172.50 —
Dividend No. 63 paid June 1st	93,172.50 —
	<hr/> \$279,517.50
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Balance at CREDIT	
December 31st, 1924.	\$252,178.96

Fernie, B.C., July 10th, 1925.

A. A. Klauer,
Treasurer.

AUDITORS' REPORT AND CERTIFICATE

To the Shareholders of

**The Crow's Nest Pass Coal Company, Limited,
Fernie, B.C.**

Gentlemen :-

We Certify that we have audited the books and accounts of your Company for the year ending December 31st 1924.

In the year 1915 your Directors authorized the use of the Profit and Loss credit balance as at December 31st, 1914, in writing down certain assets. Among other items, the sum of \$775,360.16 was written off Plant and Equipment and Real Estate and Development. In view of the fact that the Depreciation Reserves now amount to 40 per cent. of the Fixed Investment, the Directors have authorized the reversal of the item above mentioned of \$775,360.16 and their Resolution is given effect in the attached statement.

Subject to any loss that may be sustained on realization from the Home Bank balance, we certify that the appended Balance Sheet, is, in our opinion, so drawn as to exhibit a true and correct view of the Company's position as at that date and as shown by the books.

We further certify that all our requirements as Auditors have been fully complied with.

Respectfully submitted,

Welch, Campbell & Lawless,

Chartered Accountants.

Toronto, Ont., April 17th, 1925.

THE PRESIDENT'S ADDRESS

In moving the adoption of the report, it may be in order to remark that I regard my duty in so doing as anything but pleasant. Through a misconception of the basic factors that since the termination of the war have been slowly but surely manifesting themselves between 1918 and the beginning of 1925, those responsible for the guidance of labor in the fundamental problems that constitute the basic claims that labor and other economic interests have in the coal mining industry, led to a cessation of the Company production and operations on April 1st, 1924, which misunderstanding of the circumstances or strike, continued until October 20th, 1924, when a patched up agreement was made between District No. 18 of the U. M. W. of A. and the Western Canada Coal Operators' Association, which understanding implied that the employees of the District engaged at Contract work would accept a reduction of \$1.17 per day, and all men and boys working on day wages would accept a general reduction in wages that would average about twelve and a half per cent.

Between the years of 1914 and 1924, Contract Wages in the district had increased through the various changes in the modes of payment to Contract Employees, and through direct increases to 1914 Contract prices to the average extent of about 135 per cent. at the Company's mines. The day wages, when the shorter hours of work granted to Surface Day Wage Men and Boys are taken into consideration, were increased from 120 per cent. to 198 per cent.

In comparing the higher wages granted to the Coal Mine workers of the District from 1914 up to 1924, with the reduction in wages finally accepted by the men in October 1924, after about seven months strike, and at the same time taking into consideration the basic claims of other co-dependent organizations, such as Smelters, Foundries, and other kindred institutions, who had already adjusted themselves to wage schedules that were in harmony with economic possibilities, such consumers, because they could not afford to do so, discontinued to take fuel of the different kinds from this Company at the prices we were able to sell at, and go on paying the new slightly reduced wage scale as hereinbefore set forth. I might here state that this Company fully realized the seriousness of this, and strictly objected all through the broken periods of the discussions of the new wage scale for 1924. The employees of the Company, some two months after the acceptance of the new agreement by the District and after holding several mass meetings to consider all the intricate problems in connection with the industry, and with other co-dependent industries and wages paid therein, finally decided that they could only do real justice to themselves and to all other interests concerned by adjusting themselves to basic and economic claims of the circumstances that surrounded them, which they did, their action finally making it possible for the

Company to recover sufficient business to justify the sacrifices the employees of the Company had made, to meet the current situation.

Following is submitted a brief outline reference to the operations for 1924 :

The Coal Production for the year was.....275,329.05 tons
The Coke Production for the year was.....30,615.00 tons

The total days worked at the Mines for the year 1924 was :

Coal Creek.....58 days
Michel118 days
Michel Coke Ovens.....137 days

During December, 1924, we started to prepare 120 ovens for work at Fernie.

Rélevant to the forgoing production, the following classes and quantities of development work was done in and about the different Mines :

Coal Creek Mines, narrow work driven..... 7,035 feet
Michel Mines.....10,495 feet
Total Coal Development work driven.....17,530 feet

The foregoing figures which indicate the actual development work done in new coal recoveries during the year show a considerable excess development of narrow coal work driven over what was actually required to maintain normal production.

During the year we have driven a prospect tunnel 200 feet to recover a new seam of coal below No. 8, on west side of the valley at Michel, which coal we hope to find especially suitable both for steam and general domestic purposes.

Since the employees of the Company agreed to accept a general scale of wages that is reasonably commensurate with the consistent claims of purchasing industries, and the expectations of the buying public, the mines have been working reasonably steady, or averaging from 4 1-2 to 6 days per week, the result being that nearly all the employees of the Company appear to be more content than they have been for some time. The community also appears to look upon things with brighter prospects. I, therefore, trust that the Company, with other interests, will find it possible to look into the future with a greater measure of certainty than they have experienced in the last few erratic years that have passed.

I beg to move the adoption of the Report.

Mr. Maher seconded the motion.

An opportunity was then given for discussion, after which the motion to adopt the Report was put to the meeting, and carried unanimously.

It was moved by Mr. Gilman, seconded by Mr. Maher, that all actions of the Board of Directors and Officers of the Company during the past year, and up to June 30, 1925, in so far as they appear of record, be and the same are hereby approved. (Carried).

It was moved by Mr. MacNeill, seconded by Mr. Gilman, that the firm of Messrs. Welch, Campbell & Lawless, Chartered Accountants, of Toronto, be appointed Auditors of the Company for the ensuing year. (Carried).

It was moved by Mr. Gilman, seconded by Mr. Edgar, that the thanks of the Shareholders are due and are hereby tendered to the Officers, Staff and Employees of the Company, for their zeal and effective service in the interest of the Company during the past year.

In elaborating on this motion, Mr. Gilman and Mr. Edgar expressed the appreciation of the Shareholders for the very able manner in which Mr. Wilson had negotiated the new agreement, under which the Company has been permitted to regain a large part of the markets lost under the higher wage scales.

It was moved by Mr. Maher, seconded by Mr. Gilman, that Mr. Irvine and Mr. Klauer be appointed Scrutineers for the election of Directors. (Carried).

It was moved by Mr. Gilman, seconded by Mr. Maher, that the following gentlemen be nominated as Directors of the Company for the ensuing year : Mr. W. R. Wilson, Mr. W. H. Robinson, Mr. Ellis P. Earle, Dr. G. W. Howland, Mr. A. H. MacNeill, Mr. James T. Maher, Mr. James F. Edgar, Mr. L. C. Gilman and Mr. Andrew Haydon.

It was moved by Mr. Maher, seconded by Mr. MacNeill, that the Chairman cast one ballot on behalf of the Shareholders and in favor of the gentlemen nominated as Directors of the Company for the ensuing year. (Carried).

The Scrutineers reported the gentlemen nominated as having been duly elected Directors of the Company for the ensuing year.

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected :—

President and General Manager.....	Mr. W. R. Wilson
First Vice-President.....	Mr. A. H. MacNeill
Second Vice-President	Mr. W. H. Robinson
Treasurer.....	Mr. A. A. Klauer
Comptroller.....	Mr. Geo. H. Hess, Jr.
Secretary	Mr. J. S. Irvine



